

TO: Craig Hershberg, EPA
FROM: Ken Salaets
DATE: June 14, 2002
SUBJECT: EPA request for comments on product labeling

ITI appreciates the opportunity to offer additional comments and recommendations regarding options for identifying ENERGY STAR™-qualified products. It is critical to note, however, that we have very serious concerns regarding the “Partnership Agreement” in general, of which labeling is but one issue. We would welcome the opportunity to discuss our concerns and recommendations in greater detail.

Partnership Commitment

The draft Monitor MOU document entitled ‘ENERGY STAR Program Requirements for Computer Monitors’ is unequivocal in spelling out labeling requirements:

“on the top/front of the product, on the product packaging, in product literature (i.e., user manual, spec sheets, etc.), and on the manufacturer's Internet site”

However, your May 24, 2002 letter makes it clear that EPA is willing to consider other alternatives, such as the “Labeling Ideas” identified letter. Further, EPA encourages manufacturers to submit “additional creative (labeling) solutions,” i.e., alternatives, to those already identified. We heartily applaud and endorse this flexible, common sense approach to labeling, and commend EPA for responding to the needs of its Partners. We are very concerned, however, that this flexibility is not reflected in the Partner Commitment, which ENERGY STAR Partners must sign in order to participate in the program.

The agency attempts to address this by indicating that “approved” labeling alternatives will be incorporated into Partner Agreements as “an official interpretation.” We are concerned that such “interpretations” will have no legal standing, especially given the aforementioned Partner certification requirement. Moreover, asking Partners to in effect make a false certification could have serious legal implications and generate significant liability. We strongly urge EPA to help Partners avoid this risk by revising the Partnership Commitment to reflect the flexible labeling policy.

Administrative and Cost Burdens

We have other concerns regarding the text highlighted above. The four labeling requirements would be expensive and impractical to implement. For example, to reduce expenses, most

manufacturers use the same packaging and containers for multiple product models, including non-ENERGY STAR models. It would be cost-prohibitive to have to develop separate packaging for ENERGY STAR-qualified models. In addition, if EPA follows through on the proposed elimination of “grandfathering” – a policy change that we adamantly oppose – these requirements could greatly inhibit the ease of removing the label, while also further driving up compliance costs.

Many companies already incur considerable expense making modifications to existing labeling methods that they utilize. Tracking and special handling, not to mention continual updates of web sites and product literature, are costly activities that do nothing to improve the energy efficiency of a product. It would be very difficult for companies to justify additional labeling costs without being able to quantify a return on the investment, especially since most consumers typically do not retain such packaging and may not even notice or pay attention to the ENERGY STAR label.

Mandatory Product Labeling

As you know, manufacturers are faced with labeling and eco-label requirements around the globe. ENERGY STAR is just one of many. Most other labeling programs, including those in Europe, do not require that their label to be placed directly on the product, nor do they require manufacturers to promote the label. Indeed, we believe that it is inappropriate for the U.S. government, through a voluntary program, to dictate to industry how our products should be marketed. Since Energy Star is an internationally accepted mark, EPA should be consistent with international requirements and not impose a more prominent or unique labeling requirement.

We are unaware of any research or study that demonstrates a substantive corollary between office product labeling and consumer buying decisions (if EPA has such data, we would appreciate the agency sharing it with us). Further, corporate, institutional and government purchasers, as well as consumers buying through remote means, do not see the physical product before purchasing it. Whether a product is labeled or not has no bearing on their purchasing decisions.

Finally, manufacturers invest significant resources researching and designing the look and feel of their products. Mandatory product labels would spoil the unique ‘out-of-box experience’ and user satisfaction with the product. For all of the above reasons, we again urge EPA to eliminate mandatory product labeling requirements and, instead, allow Partners to choose the most cost-effective, appropriate method or methods to identify ENERGY STAR -qualified models. The approved list of labeling options should then be incorporated into the Partnership Agreement or Partner Commitment document (or both).

Recommended Alternatives to Product Labeling

ITI recommends that all of the following labeling options be included in an approved list:

- Product packaging (protective plastic bag or protective Mylar sheet on some monitors)

- Temporary or Permanent labels, at the discretion of the partner (B&W and Color) and type (static cling, Pad printed, molded, etc) anywhere on the product, including backplate, side, front, top.
- Web site media used with label displayed on external pages for those companies using this method as primary marketing tool
- Product Literature - either printed materials or CD format with ENERGY STAR label predominantly shown
- Partners which sell a computer and monitor as a set, have the ENERGY STAR label appear through software driven by the computer either through a boot-up or navigation screen.
- Provide the label and labeling message in other promotional or accessory type additions at the time of purchase (literature, mouse pad, flyer, etc.)
- Partners that sell monitors for dedicated computer models or computer platforms, have information about the ENERGY STAR program and the display installed on the computer.

We would like to emphasize that with media options available to Partners, both the ENERGY STAR labeling goals and the concerns of the Partners regarding cost, tracking, and recycling can be addressed.

Other Considerations:

The presence of a label can act as a contaminant in the recycling process and make recycling more difficult. As companies continue to reduce items like paper and plastics, requiring even temporary plastic labels or additional literature is counterproductive. Rather, Partners should be encouraged to consider adding Energy Star information to materials already being provided to the end user. An even more environmentally benign alternative would be to incorporate program information on media, such as software or CD-ROMs, or on web sites which do not necessitate the use of additional materials.